

**IN THE INCOME TAX APPELLATE TRIBUNAL “D” BENCH, MUMBAI**

**BEFORE SHRI M. BALAGANESH, AM AND  
SHRI PAVAN KUMAR GADALE, JM**

ITA No. 147/Mum/2021  
(Assessment Year: 2011-12)

Income Tax Officer-22(2)(1) 312, 3 <sup>rd</sup> Floor, Piramal Chambers, Lal Baug, Parel, Mumbai-400 012	Vs.	Shri Mohibullah A. J. Khan 50, Mehboob Alam Chawl, CST Road, Kalina, Santacruz (E), Mumbai-400 098
PAN/GIR No. AGGPK 6284 J		
<b>(Appellant)</b>	:	<b>(Respondent)</b>
<b>Appellant by</b>	:	Shri Suresh Parisamy
<b>Respondent by</b>	:	None
<b>Date of Hearing</b>	:	10.11.2021
<b>Date of Pronouncement</b>	:	10.11.2021

**ORDER**

Per M. Balaganesh, AM:

This appeal by the Revenue is directed against the order of the learned Commissioner of Income Tax (Appeals)-34, Mumbai (‘ld.CIT(A) for short) dated 20.01.2020 and pertains to the assessment year (A.Y.) 2011-12.

2. Though the Revenue has raised several grounds before us, the only effective issue to be decided in this appeal is as to whether the ld. CIT(A) was justified in restricting the profit element embedded in the value in genuine purchases at 12.5% in the facts and circumstances of the instant case as against 25% estimated by the ld. Assessing Officer (ld. A.O.).

3. None appeared on behalf of the assessee. We have heard the ld. Departmental Representative (ld. DR for short) and perused the material available on record. We find that the assessee is engaged in the business of manufacture in all kinds of M.S. and S.S. Washers. The return of income for the A.Y. 2011-12 was filed by the assessee on

30.09.2011, declaring the total income of Rs.6,16,210/-. It is not in dispute that the assessee made certain purchases from four parties, totaling to Rs.69,58,365/- whose names appear to be tainted dealers as per the website of Sales Tax Department, Government of Maharashtra. Pursuant to passing of such information to the Investigation Wing of the Income Tax Department, the assessment for the assessee was reopened u/s.147 of the Act after due recording of reasons thereon. In the assessment, the Id. A.O. observed that the consumption of the goods purchased from the four tainted parties cannot be doubted and, hence, only the profit element embedded in value of such tainted purchases could be brought to tax. The Id. A.O. estimated the said profit element at 25% and made the addition u/s.69C of the Act in the assessment. This profit element was reduced to 12.5% by the Id. CIT(A) by following the order of his predecessor in assessee's own case for A.Y. 2009-10.

4. Against this order of the Id. CIT(A), only the Revenue is in appeal before us.

5. We find that this Tribunal has been consistently estimating the profit element in respect of bogus purchases at 12.5% depending upon the nature of the business the assessee is engaged in. Since no appeal has been preferred by the assessee before us, we have no hesitation in upholding the order of the Id. CIT(A) in estimation of profit at 12.5%. Accordingly, the grounds raised by the Revenue are dismissed.

6. In the result, the appeal of the Revenue is dismissed.

*Order pronounced in the open court on 10.11.2021.*

Sd/-  
(Pavan Kumar Gadale)  
Judicial Member

Sd/-  
(M. Balaganesh)  
Accountant Member

Mumbai; Dated : 10.11.2021  
Roshani, Sr. PS

**Copy of the Order forwarded to :**

1. The Appellant
2. The Respondent
3. The CIT(A)
4. CIT – concerned
5. DR, ITAT, Mumbai
6. Guard File

BY ORDER,

(Dy./Asstt. Registrar/Sr. Private Secretary)  
ITAT, Mumbai